

Message Text

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20

ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03

LAB-04 SIL-01 PA-01 PRS-01 /088 W

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R 251024Z FEB 76

FM AMEMBASSY BAMAKO

TO SECSTATE WASHDC 3330

INFO AMEMBASSY DAKAR

AMEMBASSY ABIDJAN

AMEMBASSY PARIS

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E.O. 11652: N/A

TAGS: EFIN, MALI

SUBJECT: 1976 MALI BUDGET-AN ADVANCE LOOK

1. WHILE THE COMPLETE 1976 MALI BUDGET IS NOT YET AVAILABLE, THE EMBASSY HAS JUST OBTAINED SOME ESSENTIAL FIGURES TO PERMIT AN INITIAL EXAMINATION OF MALI'S FINANCIAL POSITION DURING THE 1976 FISCAL YEAR. THE BUDGET HAS BEEN APPROVED AT 49.3 BILLION FM (USD 110.5 MILLION AT TODAY'S 446 FM/1 USD EXCHANGE RATE), AN APPROXIMATE 30 PER CENT INCREASE ABOVE THE PREVIOUS YEAR. A 9.1 BILLION FM (USD 20.4 MILLION) DEFICIT IS FORESEEN, A SLIGHT DECREASE FROM THE 10 BILLION FM DEFICIT OF 1975.

2. AS IN PREVIOUS YEARS, THE LARGEST PART OF THE BUDGET GOES TOWARD PERSONNEL EXPENDITURES, APPROXIMATELY 72 PER CENT OF TOTAL BUDGETARY EXPENDITURES AND 89 PER CENT OF GOVERNMENT RECEIPTS. (THE IMF RECENTLY ESTIMATED THE GOM'S WAGE BILL IN 1975 TO ACCOUNT FOR ALMOST 70 PER CENT OF THAT YEAR'S EXPENDITURE). PRINCIPAL BUDGET APPROPRIATIONS FOR 1976 ARE:

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MINISTRY OF DEFENSE AND SECURITY - 9.7 BILLION FM (USD 21.7 MILLION), INCLUDING 6.6 BILLION FM FOR PERSONNEL EXPENDITURES AND 2.6 BILLION FM FOR MATERIAL. (1975 BUDGET: 7 BILLION FM).

MINISTRY OF NATIONAL EDUCATION - 9.5 BILLION FM (USD 21.3 MILLION), INCLUDING 9.2 BILLION FM FOR PERSONNEL EXPENDITURES AND 389 MILLION FM FOR MATERIAL. (1975 BUDGET FOR TWO MINISTRIES FOR EDUCATION, YOUTH AND SPORTS UNDER PREVIOUS MINISTERIAL ORGANIZATION: 7.4 BILLION FM).

GENERAL ADMINISTRATIVE EXPENSES (LES DEPENSES COMMUNES) - 7.3 BILLION FM (USD 16.3 MILLION), INCLUDING ALMOST 5 BILLION FM FOR MATERIAL. (1975 BUDGET: 4.5 BILLION FM).

THE REGIONS RECEIVE A TOTAL OF 6.4 BILLION FM (USD 14.3 MILLION) COMPARED TO 5.3 BILLION FOR 1975. OTHER DEPARTMENTS RECEIVING SUBSTANTIAL ALLOCATIONS ARE: MINISTRY OF PUBLIC HEALTH AND SOCIAL AFFAIRS, 3.3 BILLION FM (USD 7.3 MILLION), COMPARED TO 2.9 BILLION FOR 1975; FINANCE AND COMMERCE, 1.6 BILLION FM (USD 3.5 MILLION) COMPARED TO 1.35 BILLION IN 1975; AND RURAL DEVELOPMENT 1.4 BILLION FM (USD 3.1 MILLION), A NEW MINISTRY, OF WHICH 1 BILLION FM GOES FOR PERSONNEL EXPENDITURES.

3. THE 1976 BUDGET FORESEES PRINCIPAL SOURCES OF REVENUE AS INCLUDING INDIRECT TAXES, REGISTRATION AND STAMPS, 11.5 BILLION FM (USD 25.7 MILLION) COMPARED TO 9 BILLION IN 1975; DIRECT TAXES, 8.3 BILLION FM (USD 18.6 MILLION) COMPARED TO 6.4 BILLION IN 1975; AND CUSTOMS RECEIPTS, 7.6 BILLION FM (USD 17.4 MILLION) COMPARED TO 5.7 BILLION FOR 1975. REVENUE FROM STATE SOCIETIES AND ENTERPRISES IS LISTED AT 50 MILLION FM (USD 112,107) (SIC), THE SAME AS IN THE 1975 BUDGET.

4. COMMENT: GOVERNMENT REVENUES ARE BARELY ABLE TO MEET THE PERSONNEL EXPENDITURE PORTION OF THE BUDGET. THIS MEANS THAT BUDGET ITEMS FOR MATERIAL AND EQUIPMENT WILL HAVE TO BE PAID FOR ENTIRELY BY EXTERNAL AID, AND PERHAPS BY A STRETCH-OUT OF SALARY PAYMENTS TO GOVERNMENT OFFICIALS AS IS HAPPENING NOW. (CIVIL SERVANTS WERE NOT PAID IN JANUARY.) LIMITED OFFICIAL USE

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THE EMBASSY UNDERSTANDS THAT, DURING THE BUDGET DRAFTING PROCESS, THE FRENCH APPLIED STRONG PRESSURE FOR EXPENDITURE REDUCTION. THE MALIANS CONSENTED TO REDUCE EXPENDITURES IN ALL AREAS EXCEPT ONE: THE MINISTRY OF DEFENSE AND SECURITY. MCGUIRE

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